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August 19, 2019

Marlene Dortch
Secretary
Federal Communications Commission
445-12th Street SW
Washington, DC 20554

via ECFS

Re: **Global Connection Inc. of America Supplemental Filing;**
WC Docket No. 17-170

Dear Ms. Dortch:

Global Connection Inc. of America (Global), by counsel, submits this letter in response to a request by Wireline Competition Bureau (WCB) Staff to update the record in the above-referenced docket, which addresses an application to the Federal Communications Commission (Commission) for approval of a customer transfer from Global to Tele Circuit Network Corporation (Tele Circuit).

On June 19, 2017, Global and Tele Circuit (the Parties) filed an application seeking approval for a transfer of customers from Global to Tele Circuit.¹ The application was placed on a non-streamlined pleading cycle on July 13, 2017.² Subsequently, in connection with issues that arose between the Parties, counsel for Global reached out to Staff in the WCB Competition Policy Division. In a series of calls, Global's attorneys explained the dispute that had arisen between the Parties and Global's concerns regarding what it assessed to be an unauthorized

¹ *Global Connection Inc. of America and Tele Circuit Network Corporation Application for Consent to Transfer Assets of a Company Holding Domestic Section 214 Authority Pursuant to the Communications Act of 1934, as Amended*, WC Dkt. 17-170 (June 19, 2017).

² *Domestic Section 214 Application Filed for the Acquisition of Certain Assets of Global Connection Inc. of America by Tele Circuit Network Corporation, Non-Streamlined Pleading Cycle Established*, WC Dkt. 17-170, DA17-674 (rel. Jul. 13, 2017).

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transfer of customers as well as other unlawful behavior by Tele Circuit.³ A call with WCB Staff on January 31, 2018 included discussion of “a potential scenario under which WCB could approve the Parties section 214 application while issues of Tele Circuit’s unauthorized carrier change (slamming) and unauthorized transfer of assets would be addressed by the Enforcement Bureau. Also discussed were “the Commission’s alternatives regarding disposition of any customers found to have been transferred by Tele Circuit in violation of 47 C.F.R. § 64.1120(e).”⁴

At the time of the January discussion with WCB Staff, Global and Tele Circuit were engaged in discussions aimed towards resolving the dispute; however, Global maintained its position that “it has not engaged in a transfer of customers or an assignment of assets pursuant to section 214. The transaction has not closed and Global is not prepared to close the transaction without resolving how customers that are found to have been slammed or transferred without authorization will be treated. Guidance from the Commission is needed to resolve this matter.”⁵

In response to Staff’s request for an update regarding the issues raised in the *ex parte* notices by counsel for Global and Tele Circuit, Global provides the following:

Customer Transfers: Since September, 2017, when Global first reached out to the WB Staff, no customers have been transferred from Global to Tele Circuit.

Customer Complaints Regarding Transfer: Global is no longer receiving such complaints.

Tele Circuit interference with Global access to customer account/service database: Tele Circuit has ceased all such interference with Global customer service and billing operations.

Unauthorized Transfer of Customers by Tele Circuit: Global’s outreach to WCB Staff between September, 2017, and February, 2018, focused on its concern that Tele Circuit’s premature transfer of customers, prior to completion of the notice period required pursuant to 47 C.F.R. § 64.1120(e) and prior to approval of the pending application for consent to the transfer, appeared to constitute both unauthorized change of carrier (slamming) and an unauthorized transfer for lack of required Commission approval. Given the circumstances, Global was unwilling at that time to consummate the transaction, has not subsequently consummated the transaction and has no intention of doing so at any future point in time. Indeed, on August 23, 2017, counsel for

³ See *Notice of Global Connection Inc. of America of Oral Ex Parte Presentation*; WC Docket No. 17-170 (Sept. 6, 2017); *Notice of Global Connection Inc. of America of Oral Ex Parte Presentation*; WC Docket No. 17-170 (Feb. 2, 2018).

⁴ *Notice of Global Connection Inc. of America of Oral Ex Parte Presentation*; WC Docket No. 17-170 pp. 1-2 (Feb. 2, 2018).

⁵ *Id.* at p. 1.

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Global and for Tele Circuit jointly filed to withdraw the pending application.⁶ For the record, Global agreed to withdraw the application because it refused to move forward with the transaction, following what it believed to be unauthorized customer transfers and related obstructive behavior by Tele Circuit. As far as Global is aware, the application for consent to transfer remains pending. To close out this matter, Global respectfully requests that the Commission grant the Parties' request to withdraw the pending application and close the docket.

Status of Georgia litigation

On October 13, 2017, Tele Circuit filed a claim against Global in Georgia Superior Court in connection with the dispute.⁷ Subsequently, in April 2018, the Commission issued a Notice of Apparent Liability against Tele Circuit⁸ and on June 28, 2018 Tele Circuit filed a petition for Chapter 11 bankruptcy reorganization.⁹ Following Tele Circuit's notice to the Court on August 13, 2018 regarding the bankruptcy stay, the litigation was dismissed.

⁶ The January 17, 2018 *ex parte* notice filed by Henry Walker, counsel for Tele Circuit, noted his initial belief that domestic transfer of control approval requirements as identified in §§63.03 and 63.04 of the Commission's Rules do not apply to customer base transfers between carriers. Mr. Walker's notice then references the withdrawal of the application in the context of his misunderstanding. Global, however, has always understood, and maintained, that transfers of customers receiving Section 214 services must be approved by the Commission and Global was quite clear about this point in its discussions with Tele Circuit's counsel.

⁷ *Tele Circuit Network Corporation v. Global Connection Inc. of America*, Civil Action File No.: 2017CV296571, Fulton Cty. Sup. Ct. (Oct. 13, 2017); subsequently transferred on Feb. 28, 2018 to Gwinnet Cty. Sup. Ct. as Civil Action File No. 18-A-01751-6 and dismissed Aug. 16, 2018.

⁸ *Tele Circuit Network Corporation*, Notice of Apparent Liability for Forfeiture, File No. EB-TCD-17-00023953, 33 FCC Rcd. 4379 (2018).

⁹ *In re Tele Circuit Network Corporation*, Debtor, Case No. 1:2018bk60777 (Bankr. N.D.GA. Jun. 28, 2018).

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Please do not hesitate to contact me if you have any additional questions

Sincerely,



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cc: Greg Kwan, WCB